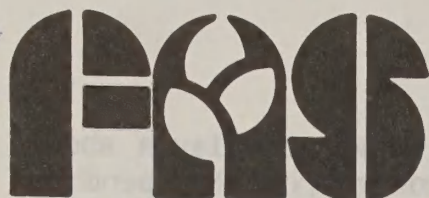


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# REPORT

United States  
Department of  
Agriculture  
Foreign  
Agricultural  
Service  
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 32-81

WASHINGTON, Aug. 12--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

## GRAIN AND FEED

In the SOVIET UNION, grains and pulses had been swathed by Aug. 3 on 46.6 million hectares, versus the 1974-80 average of 37.4 million hectares. The threshed area of 42.1 million hectares totaled just over 90 percent of the swathed area and was well above the 1974-80 average of 29.3 million hectares. Hot, dry weather, which has prevailed over most parts of European USSR since the start of the harvest in early July, has enabled workers to cut and thresh grain in a timely fashion.

The Soviet press recently has urged agricultural workers to take advantage of favorable weather by reporting that a ten-day delay in the harvest could lead to yield losses of over 20 percent. Last year, incessant precipitation impeded the harvest and resulted in significant crop losses. By mid-August the harvest should be in full swing in areas east of the Volga Valley where almost half of the grain crops are sown.

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BRAZIL'S 1981 wheat production prospects have been significantly reduced by smaller planted area, frosts in June and July, as well as drought conditions in the state of Parana. The reduced wheat output is expected to raise 1981/82 imports above the 4.3-million tons imported during 1980/81. Meanwhile, Brazil's 1981/82 wheat consumption is expected to decline slightly because of reduced domestic subsidies on flour.

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YUGOSLAVIA'S 1981 wheat harvest is complete and the crop appears to be even smaller than previously anticipated. The reduction in this year's crop could necessitate wheat imports to meet domestic requirements.

The current wheat crop may be as low as 4.3-million tons, compared with 5.1 million in 1980 and 4.5 million in 1979--a similarly poor year and one in which Yugoslavia imported 1.2 million tons of wheat, 795,000 of which were from the United States. This year's small crop is attributed to poor sowing conditions and to a pre-harvest drought.

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MARY FRANCES CHUGG, Editor. Tel (202) 447-2280. Additional copies may be obtained from the FAS Information Services Staff. Room 5918-South, Washington, D.C. 20250. Tel. (202) 447-7937.



A 4.3-million ton wheat crop this year would leave Yugoslavia about 1.2 million tons short of its needs. Actual imports, however, will depend on the level of domestic procurements and on government import policy. During the past two years, the United States supplied over 60 percent of the wheat imports with the assistance of CCC loans and loan guarantees. Of the 670,000 tons of wheat Yugoslavia imported in 1980/81, about 450,000 tons came from the United States. The balance was of Romanian and Bulgarian origin.

On Aug. 6-7, Seeley Lodwick, USDA's Under Secretary for International Affairs and Commodity Programs, visited Yugoslavia to discuss the possibilities of expanding U.S. wheat exports to that market during 1981/82 and to assess the need for Commodity Credit Corporation (CCC) credit.

#### DAIRY, LIVESTOCK AND POULTRY

SOUTH KOREA decontrolled retail beef prices, effective Aug. 5, in an effort to lessen the disparity in retail margins for sellers of high-cost domestic beef and less expensive imported beef. Beef retailers also are being encouraged to specialize in either domestic or imported meat. In the future, beef-price movements will be affected by the amount of beef imported and how stocks are managed.

South Korea has indicated that beef imported in 1981 could be about 10,000 tons. This is a significant improvement over 1980 when a recession dampened demand for meat products and induced the government to suspend beef imports. A gradual return to previous import levels of 40,000 to 50,000 tons is expected within the next five years. However, the government intends to encourage growth in the domestic cattle herd, as well as dietary switches to pork and poultry where self-sufficiency is higher.

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BRAZIL'S poultry meat consumption is now projected at 1.3 million tons, 10 percent below earlier expectations because of higher production costs and stalled consumer incomes. Despite buoyant export markets, consumption will limit growth in poultry production to around 6 percent in 1981, compared with a 23-percent-growth rate in 1980.

Exports are still expected to increase by over 50 percent to 260,000 tons. In the first five months of 1981, Brazil's poultry meat exports totaled 98,000 tons, 80 percent above the level of a year ago. Traders have reported particularly strong sales in recent months to Iraq and Egypt.

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The EUROPEAN COMMUNITY (EC) Commission raised the basic variable import levies effective, Aug. 1, on eggs, poultry meat and albumen. The levy on so-called 73-percent whole turkeys (turkeys without necks, hearts or livers) increased by 2 U.S. cents to 12 cents per pound. The levy on dried egg yolks went up 11 cents to 51 cents per pound and the levy for dried albumen climbed 10 cents to 44 cents per pound. The levy on turkey drumsticks went up 2 cents and is now 9 cents per pound.

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The EUROPEAN COMMUNITY (EC) Commission has received and accepted import license applications for 194.7 tons of beef under the third-quarter allocation of 5,000 tons of the U.S. 10,000-ton high-quality beef quota. Third-quarter license applications were received for 74 tons from Denmark, 50 tons from the United Kingdom, 40 tons from West Germany, 11 tons from Belgium, 10 tons from France and 9.7 tons from Greece. For the first nine months of 1981, EC countries have issued import licenses for 1,210 tons of the 10,000-ton quota.

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POLAND'S limited fodder and feed supplies caused a sharp drop in meat production during the first half of 1981. Total meat supplies were down nearly 20 percent from a year ago. Similarly, milk production dropped nearly 15 percent and egg production was off 3 percent. In terms of total animal products (milk reduced to solids (12.66 percent) and eggs at 40 pounds per egg case), supplies are down more than 15 percent.

Also, a sharp reduction in animal numbers was reflected in the June 1981 census. Cattle were 96.7 percent of a year ago level, cows were 96.7 percent, total hog numbers stood at 86.7 percent and sows were down to 90.1 percent of the 1980 level.

#### COTTON

INDIA has agreed to purchase 100,000 bales of 170 kilograms each of short and medium-staple Pakistani cotton for September delivery. This will be the first such purchase of cotton in more than two years. Prior to the meetings between the Cotton Corporation of India and the Cotton Export Corporation of Pakistan, there had been indications that India's cotton supply situation would be fairly tight during the last months of the 1980/81 marketing year and before the arrival of new-crop cotton in November. Consequently, the textile industry had urged the government to allow cotton imports as domestic prices rose in the short and medium-staple varieties.

According to the U.S. agricultural counselor in New Delhi, India may purchase additional quantities of short and medium-staple cotton from foreign sources over the next two months. Assuming Pakistan has available supplies, there is a distinct advantage for India to trade with Pakistan because of competitive prices and close proximity.

#### MISCELLANEOUS

U.S. AGRICULTURAL EXPORTS to MEXICO of \$2.33 billion during October 1980 through June 1981 were over \$1 billion more than during the same period a year earlier. However, expected sharp reductions in export movements in July-September 1981 are likely to hold the total fiscal-year export value to about \$2.5 billion. This will still be a 25-percent increase over fiscal 1980's record value, but is below earlier expectations.

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U.S. export prospects for the last half of calendar 1981 have been dimmed by increased Mexican purchases from competitors, notably Argentina and Brazil, and improved Mexican crop prospects. It appears that reduced oil revenues, used to finance imports, also may be the reason for recent Mexican actions to reduce and/or postpone imports.

During 1981, Argentina is expected to supply Mexico with 800,000 tons of sorghum and 400,000 tons of soybeans, and Brazil is expected to supply about 200,000 tons of soybeans. These sales fulfill Mexico's commitment to diversify its sources of supply away from the United States. At least some of these purchases reportedly were made at premiums which exceeded the price for U.S. goods carrying similar delivery terms. This competition is likely to hold total U.S. export volume to Mexico in calendar 1981 to near the upper limit of the 1981 agreement covering 6.15 to 8.19 million tons of U.S. commodities.

#### HORTICULTURAL AND TROPICAL PRODUCTS

In BRAZIL, a field survey by the office of the U.S. agricultural counselor in Brasilia shows that 70 to 75 percent of the approximately 700 million coffee trees in the state of Parana were damaged in varying degrees by the frost which struck July 20-21. Parana accounts for about 20 percent of Brazil's total coffee trees.

The survey report, made today to FAS, estimated that Parana's 1982/83 (July-June) coffee production potential has been reduced from 8 to 9 million 60-kilogram bags to about 3 million bags by the frost. Compounding the potential production decline resulting from frost, Parana coffee producing areas also have suffered from recent drought conditions which could further reduce the output potential for 1982/83.

For the recently harvested 1981/82 crop, Parana produced between 7.5 to 8 million bags. This is about a fourth of Brazil's total production, currently estimated at 32 million bags, which will account for about a third of world production.

Reports covering the states of Sao Paulo and Minas Gerais, the other major producing states, will be released once field surveys are completed. Also, a summary report covering the aggregate findings of the field surveys is planned for release in late August. (For more details see USDA press release 1029-81).

# Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Aug. 11, 1981	Change from previous week	A year ago
	\$ per m. ton	\$ per bu.	¢ per bu.
Wheat			
Canadian No. 1 CWRS-13.5%.....	236.00	6.42	-06
U.S. No. 2 DNS/NS: 14%.....	189.00	5.14	-07
U.S. No. 2 DHW/HW: 13.5%.....	202.00	5.50	+07
U.S. No. 2 S.R.W.....	163.00	4.44	+11
U.S. No. 3 H.A.D.....	192.00	5.23	+17
Canadian No. 1 A: Durum.....	1/	1/	1/
Feed grains:			
U.S. No. 3 Yellow Corn.....	148.00	3.76	-09
U.S. No. 2 Sorghum 2/.....	158.00	4.01	-05
Feed Barley 3/.....	134.50	2.93	-07
Soybeans:			
U.S. No. 2 Yellow.....	287.50	7.82	-19
Argentine 4/.....	285.50	7.77	-18
U.S. 44% Soybean Meal (M.T.)..	245.00	--	-4.00 5/
EC Import Levies			
Wheat 6/.....	72.15	1.96	-14
Barley.....	51.55	1.12	-08
Corn.....	52.20	1.33	-08
Sorghum.....	42.55	1.08	-17

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil yellow.

5/ Dollars per metric ton.

6/ Durum has a special levy.

Note: Basis September delivery.







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